THE NORTH CENTRAL WASHINGTON
AGRICULTURAL
REHABILITATION AND ADJUSTMENT PROGRAM

This report has been prepared at the request of the Secretary of Agriculture and copies have been submitted to him. Pursuant to his instructions, copies of this report have also been sent to the Chairman of the Inter-Bureau Coordinating Committee at Washington, D. C. and to the Chairman of the Northwest Inter-Agency Council. Members of the Inter-Bureau Coordinating Committee (Washington, D. C.), the Field Inter-Bureau Advisory Committee and the Wenatchee Field Office staff cooperated in the preparation of this summary report.

George T. Hudson
Field Representative
United States Department of Agriculture
Wenatchee, Washington
January 1943

DEPARTMENT OF AGRICULTURE

WASHINGTON

Wenatchee, Washington
January 11, 1943

SUMMARY REPORT ON NORTH CENTRAL WASHINGTON AGRICULTURAL REHABILITATION AND ADJUSTMENT PROGRAM

By

George T. Hudson
Representative
U. S. Department of Agriculture

The President of the United States, by Executive Order, in April of 1940, designated the four counties of Chelan, Douglas, Okanogan and Grant in North Central Washington as an emergency distress area. This formal action resulted from appeals from fruit growers, state officials, businessmen and other interests in the State of Washington to the Federal Government for assistance in saving the fruit industry from impending economic collapse. The President's Executive Order and concurrent action by the U. S. Department of Agriculture provided the basis for assistance to the industry in an extraordinary emergency program initiated by the farm families in the area for rehabilitation and adjustment of their business on a long-term basis.

The fruit acreage in the four counties had been reduced from 45,000 acres in the 1920's to 35,000 acres by 1940. Approximately six thousand additional acres were so badly neglected and in such poor condition and the tenure of their operators so insecure that they could not be rehabilitated and were removed subsequent to 1940. This is a decrease from an estimated 3,~~000~~668 operating farm units in 1930 down to 2,200 in 1941. This reduction and the consequent dislocation of families resulted from consistently unprofitable operations during the 1930's. Several hundred more orchardists, representing many thousand acres, had completely exhausted their financial resources in an effort to operate and maintain their properties and were faced with immediate dispossession and destruction of their orchards unless adequate remedial measures were applied immediately.

Hundreds of individual growers, during the unprofitable decade of the thirties, had accumulated a heavy indebtedness to irrigation districts, county governments, state and Federal agencies, many industry services and the business community in general. The once leading and profitable commercial fruit producing area of the United States was generally regarded as bankrupt. All the usual available

sources of private and Governmental financing had been exhausted or discontinued because of heavy credit and financial losses. Widespread involuntary neglect of orchards and equipment had resulted in an alarming increase in prevalence and destructiveness of orchard pests and diseases. The unfavorable situation and economic outlook caused an emigration of rural youth from the area, leaving a disproportionate number of current orchard operators past their most productive years.

Beginning in 1933, and in subsequent years, joint efforts were made by grower committees and representatives of public agencies, led by Mr. A. C. Adams, President, Spokane Bank for Cooperatives, and the Extension Service, to establish a better foundation for sound industry operations. Substantial progress was made and a considerable amount of educational work done. Their efforts were seriously hampered by factions in the industry lacking a grower point of view and by lack of unity of public agency policies and effective coordination of their activities in the field. However, these earlier efforts were instrumental in crystalizing mutual action by the growers and public agencies in 1940 and contributed very materially to the accomplishments attained during the past two years.

The U. S. Department of Agriculture, through the Farm Credit Administration, under the authority of the President's Executive Order of April 1940, expanded the services of the Emergency Crop and Feed Loan Division to take care of the emergency financing of the 1940 crop pending the development of approved plans for a permanent program of rehabilitation and adjustment. By direction of the Secretary of Agriculture (see attached Memorandum of Secretary Wickard, "Memorandum for Chiefs of Bureaus and Offices," dated January 30, 1941), an Inter-Bureau Coordinating Committee on North Central Washington was organized in Washington, D. C. to develop and create the administrative and coordinating relationships for their application in the field. This was done in order to comply with the request for Departmental assistance from the County and State Land Use Planning Committees. The Inter-Bureau Committee, under the leadership of the Bureau of Agricultural Economics, prepared a report, "The Economic Situation in the Wenatchee-Okanogan Fruit Producing Area," reviewing the factors effecting the fruit industry and reciting the physical, financial and economic circumstances that had prevailed prior to 1940. This report was made available to the interested groups and agencies in the area. Concurrently, the Washington State Extension Service and the Department cooperated in assisting growers in organizing responsible planning and policy-making committees who could represent the area in formulating an industry program. A Department representative was assigned to the area to coordinate inter-agency activities

in the field and to relate these to the grower program.

The grower committees, assisted by the State Extension Service, the Department and other public agencies, developed an outline of objectives, policies, adjustments and practices for the industry in the fall and winter of 1940, in the form of a report, "Proposed Recommendations for Long-Range Program in the Fruit Area of North Central Washington." This was approved by the County, District and State Land Use Planning Committees and was submitted to the Department through its Field Representative.

Growers further completed and improved their planning machinery and developed supplemental recommendations in 1941 and 1942, through the more complete organization of neighborhood, community, county and area committees and subject-matter sub-committees, and created certain grower business organizations to translate them into action. Departmental organization and procedure was improved by the creation of the Field Inter-Bureau Advisory Committee in May 1942, by the Secretary of Agriculture on recommendation of the Washington Inter-Bureau Coordinating Committee (see attached letter from Secretary Wickard to me, dated May 28, 1942). This order provides definitely for over-all Departmental administration and coordination at the area level and, through the Washington Inter-Bureau Coordinating Committee, provides a practical means of tying field operations of the various agencies to over-all Departmental policy. Departmental policy for the area is in turn to be formulated on the basis of recommendations and action of responsible grower organizations. The Field Committee is now functioning with appropriate sub-committees and assignments. Further clarification of its functions, responsibility and authority and those of the Field Representative for the benefit of several of the participating agencies appears necessary and will be discussed in my detailed report with my recommendations thereon.

Two years of grower planning, research, education, organization and action, together with administrative, technical and financial assistance from public agencies, has resulted in substantial progress on the area rehabilitation and adjustment program. Full discussion of this program will be contained in my detailed report. A very brief enumeration of the principal items of progress initiated and carried out by the growers with the assistance of public agencies includes:

1. Rural Organization. The first thing the growers recognized as necessary to an area rehabilitation program was effective organization of rural people, making it possible for maximum participation of all affected families in any subject-matter program that might

be developed. The four counties have set up an area-wide organization for the over-all planning and direction of their program. They have been sub-divided into 21 communities, each with its own Community Committee. The Community Committee in turn is composed of at least one representative from each neighborhood. Approximately half the communities have already completed this organization. There are at present approximately 175 well-defined neighborhoods. There is a total of approximately 225 committeemen, or one to each ten families, in the area organization. The over-all committee in turn has established approximately a dozen special subject-matter sub-committees. These are: Units and Storage; Marketing; Rehabilitation; Sanitation and Production; Supplies; Processing and By-Products; Labor and Wages; Methods, Procedure and Organization; Railroad Rates; Power Rates; Clearing House; and Finance. All the Committees have year-around activities, conduct frequent meetings and conferences and prepare recommendations for appropriate action. My detailed report will describe the recent provisions which have been made for integrating the activities of the LUP Committees with those of the County War Boards as a means of gearing the rehabilitation program directly to the war effort and using the already existing LUP set up to that end.

At the outset of this program in 1940, a basic tenet in Departmental approach to solutions of agricultural problems and development of programs of remedial measures was that growers take the initiative in planning, making decisions and formulating broad policies, and the Department would endeavor to supply assistance of such nature as fell within its function and which might be outside the resources of local people. The rural organization created by growers in the Wenatchee-Okanogan area was developed with that principle in mind.

2. Orchard Classification. Late in 1940, grower LUP Committees developed a preliminary orchard classification schedule which was completed for each individual operating unit in the area. This provided for an appraisal of the economic, physical and personal factors indicating whether the operator and the orchard could meet minimum industry standards and qualify for financial and other assistance. From these records, the grower Committees prepared separate analysis sheets for each grower which outlined recommended action for improving his operations. The category of classification is as follows:

1. Orchards needing no adjustment
2. Orchards needing rehabilitation and some orchard supervision
3. Orchards due for removal and impractical to rehabilitate

4. Pushed over areas or pest hazards - sanitation problem
5. Non-orchard areas

3. Orchard Sanitation. Orchards placed in grade 3 under the classification schedules were declared undesirable, and the grower Committees recommended their removal. The County Governments, the State Horticultural Association, the State Legislature and the Governor responded to the recommendations and requests of the grower Committees by enacting a strong sanitation law making mandatory the removal of neglected or abandoned orchards when condemned by grower Committees. This removal was carried out by the counties on direction of the local grower Committees. Under this program, 6,000 acres of orchards were removed in 1941 and 1942, leaving an estimated 800 to 1,000 acres of grade 3 orchards to be considered further. This program also stimulated a thorough sanitary clean-up in remaining orchards. The sanitation program contributed materially to the production of the cleanest crop and largest pack out per tree that had been produced in many years.

4. Debt Composition. Grower action and agency assistance resulted in an average scale-down of approximately 50 percent of the previous obligations of over 300 growers. Approximately $1,900,000 of original debts have thus been composed and adjusted. The families affected have been placed on a current solvent basis.

5. Orchard Services and Supervision. Through an election of responsible grower Committees in each community and the assistance of the public agencies, a staff of full-time professional horticultural supervisors was nominated by growers to supply them with information and advice on orchard operation and management. This staff of approximately twenty supervisors is paid by the Regional Agricultural Credit Corporation. This staff acts in an advisory and supervisory capacity and works very closely with the grower Committees and technical agencies in furnishing assistance on application of the most acceptable and approved orchard practices. Substantial improvement in quality and quantity of production has resulted from this service.

6. Orchard Operating and Management Practices. Recommendations and subsequent action were developed on a number of specified practices, including sanitation, fertilization, pruning, spraying, tree spacing and inter-cropping, which have resulted in reduction of unit costs, increased yields per tree and decided improvement in size, quality, color and quantity of disease-free fruit. These improved results brought about complete revision of crop estimates based on operations

in previous years. In many orchards, this increased production amounted to as much as 50 to 100 percent over former years.

7. Orchard Rehabilitation. The potentialities for increased yields, decreased costs and improved quality of fruit were stressed by growers as a sound basis for more adequate orchard financing. These rehabilitation features included: (a) definite tree spacing and interplanting plans; (b) soil management through cover crops and fertilization; and (c) thorough renovation, repair, replacement, expansion and modernization of orchard machinery and equipment. Adoption of these recommendations by the growers and the RACC contributed materially to the operator's ability to follow better management practices. This procedure has been recommended and followed only on those orchards and for those operators showing a reasonable prospect of adequate response to such treatment over a period of years.

8. Area Inventory. The grower LUP Committees, in 1941, developed more comprehensive plans, following their original preliminary classification activities in 1940, and public agencies provided technical assistance in obtaining an inventory of the physical, economic, financial and personal information on operators and orchards for the entire area. This inventory is 75 percent completed and will be finished early in 1943. It includes a detailed census of farms and operators in the district; number, variety and age of trees; acreage of ex-orchard and other irrigated land; age of operator; size of family; facilities, financial status, labor facilities and needs, etc. This inventory will provide exact information as to the present status of agriculture in the area and will form the basis for analysis and interpretation by the growers of the physical and economic factors necessary to planning long-term farming programs in the area. For example, the inventory will give a picture of the orchard as of certain periods in the future as to varieties, age groups, etc. Such information is basic to development of a planting program for the immediate future.

9. Packing and Storage Problems. Recommendations have been developed for improved harvesting, packing, pre-cooling, inspection and classification, warehouse handling, and storage of fruit. At the request of the grower Committees, the Bureau of Agricultural Chemistry and Engineering and Bureau of Plant Industry have conducted investigations and tests and prepared a bulletin for local use of growers and warehousemen on minimum standards of operation. These operating standards include provision for more adequate pre-cooling and cold storage facilities, technical advice on better packing and storage management, regulation of storage periods and regulation of the

movement of the crop to market. The problem of condition of the fruit is one of the most pressing issues confronting growers in the area. Fruit in poor condition has materially reduced consumer demand for Washington boxed apples, particularly the Delicious variety, and has contributed heavily to depressed values and returns to growers. With more complete information, the Department is assisting growers in financing needed additions, expansion and improvements and is encouraging and supporting growers in the formulation of all other appropriate measures to solve the condition problem.

10. Unit Organization. One basic recommendation of the grower Committees is that all growers in the area be participating members of local grower associations or units. These units will be cooperative business organizations whose functions will include horticultural services, improved supply, packing and storage services and other local functions which can be placed on a more efficient basis through group action. A number of these have been established, and plans are now to have all growers in approved units before the summer of 1943. The Spokane Bank for Cooperatives and RACC are extending financial assistance to these units. These units are basic to all other business service features of the area program, and it is absolutely imperative that grower action and public agency policies be directed to that end if the program is to be successful.

11. Supplies. Grower recommendations resulted in the development of a centralized area-wide cooperative supply buying and servicing program. Northwest Wholesale, Inc. has been developed as the action agency for this service and has handled approximately $3,000,000 in supplies in two years with direct savings to growers of approximately $200,000. This represents about 70 percent of all the orchard supply business in the area. The additional savings through influence on price levels, quality of goods handled and adoption of improved spray and fertilization programs is estimated to be substantially more than the direct savings.

12. Power Costs. A large percentage of orchards in the area are heavy users of commercial electric power for spray and irrigation pump equipment. In many instances, their power costs range as high as $30 to $50 per acre. Recommendations of the grower Committees were explored jointly with the Public Utility Districts and the power companies, resulting in agreements for power rate discounts of 40 to 45 percent. These discounts have represented savings to power users of better than $160,000 per year.

13. Railroad Rates. For years, the fruit industry of the Pacific

Northwest had worked toward a downward revision of World War I transportation charges. Recommendations and actions initiated by the grower Committees in North Central Washington early in 1941 resulted in the organization, on a regional basis, of efforts to obtain reductions in these rates. Under this impetus, negotiations were concluded with the railroads whereby they voluntarily made a reduction in rates of approximately 15 percent. These temporarily reduced rates applied to all Pacific Northwest fruit producing areas. This reduction, applied to the volume involved, represented a saving in transportation costs of slightly more than seven cents a box or approximately $1,000,000 annually to the Wenatchee-Okanogan growers, and of nearly twice that amount for all the affected boxed apple producing districts of Washington and Oregon.

14. Crop Financing. The growers recommended the establishment of a grower-unit owned credit corporation with the request that the Department furnish 50 percent of the initial capital funds against commitments of growers for capital retains from crop proceeds which would gradually transfer complete ownership to growers over a period of years. Due to the emergency nature of the situation and the broad and flexible lending policies required, beyond the function of the permanent Departmental credit agencies, it was decided to defer this method for a period of three to five years and instead to make crop funds available through a Regional Agricultural Credit Corporation, with provision for accumulation of grower funds for the eventual capitalization of a grower-owned credit corporation. By direction of the Governor of the Farm Credit Administration, the RACC of Salt Lake City, Utah, established a branch office in Wenatchee and started making new loans for the first time since being placed in liquidation in 1934.

Approximately $13,000,000 has been made available to growers by it in 1941 and 1942 for crop production, debt composition, orchard rehabilitation and other orchard capital requirements of an intermediate nature, including packing and storage facilities. Upon completion of marketing of the 1942 crop, RACC borrowers will have accumulated between $150,000 and $200,000 in a reserve fund, in addition to repayment of their crop loans. Approximately 700 growers are involved. Credit operations for the two years will result in full collection of nearly all loans with a prospective loss of about one-fourth of one percent of the amount loaned. The RACC maintains a very close operating and supervisory relationship with all of its borrowers and, for the most part, is requiring that they conform to all the provisions and recommendations in the Land Use program in order to qualify for loans.

15. Irrigation Districts. Operating and financial difficulties of the various irrigation districts and water companies caused the grower Committees to recommend extensive engineering, financial, utilization and economic surveys of water resources and facilities, management and refinancing problems. A preliminary water facilities survey has been made by the Bureau of Agricultural Economics, and a number of districts have undergone financial re-organization. Further plans in the way of engineering surveys, operating and financial re-organization were tentatively agreed upon, involving the services of the Wheeler-Case program which are directly applicable to the needs of this area, but these plans have been temporarily suspended because of the war. Further work needs to be done on this problem, as originally planned, just as soon as aid under Wheeler-Case can be revived. The area is served by approximately 50 irrigation districts and water companies, less than one-half of which are solvent or on the most efficient operating basis.

16. Marketing. For years, leading growers and others have condemned the lack of a systematic, organized and effective merchandising program for the area. One of the major recommendations of the grower LUP Committees was the creation of grower-controlled operating and regulatory machinery for merchandising their crops. The first action result of these recommendations was the organization of the Washington Growers Clearing House Association, Inc. in the summer of 1941. Dr. C. W. Warburton, Mr. A. W. McKay and other public agency representatives participated in its organization, and Secretary of Agriculture Wickard attended its first business meeting. This is an area-wide regulatory and supervisory organization to which the growers and shippers are responsible under contract to conduct their sales and merchandising activities according to its rules and regulations. Fully 75 percent of the growers in the area are now members of that Association.

In regulating and directing merchandising operations, it works closely with the grower Committees and public agencies, particularly the financing institutions. Its program has produced general approval and support, and prevailing opinion in the area is that returns to growers have been increased by 20 to 30 cents a box or more because of its influence, notwithstanding the general rise in farm value of Washington State apples the past two years due to general economic conditions. Additional progress is being made by the grower Committees in creating a cooperative sales organization to be operated in 1943, the need for which is most essential to completion of a sound marketing structure for the industry.

17. By-Products Utilization. In cooperation with public agencies and processors, the grower Committees initiated a program for utilizing off-quality fruits and obtaining higher returns. The North Central Washington area normally produced 50,000 to 70,000 tons of low-grade fruit which had been only partially utilized by processors. A large portion had been destroyed by growers and packers, and the balance had been returning from 50 cents to $1.50 per ton. The improved practices under this present program resulted in a reduction of the volume of this low-grade fruit to less than one-half its former proportions, and the by-products program, with material assistance from the Regional Research Laboratory at Albany, California, brought about complete utilization of this smaller volume at specified prices according to variety and condition ranging between $10 and $25 per ton in 1941 with slightly higher prices in 1942. Income from this source increased from a negligible amount in 1940 to approximately $600,000 in each of the years 1941 and 1942. Under this program, processors are now supplying a much larger volume of dried fruits for direct war needs. Additional expansion in this program is recommended by the grower Committees as may be required and approved by the Government for additional war needs.

18. Ex-Orchard Family and Land Rehabilitation. Another major recommendation of the grower Committees in 1940 was the development of an economic rehabilitation and farm tenure program for families who had been forced out of the orchard business. This involved agreement on minimum goals and standards for satisfactory living conditions for these families, the size of unit, combination of enterprises, financial assistance required and a utilization program for commercially-produced quantities of crops and live stock. Special grower Committees and public agency representatives, particularly the State Experiment Station, the Farm Security Administration and Bureau of Agricultural Economics, are in essential agreement on the pattern to be followed for rehabilitating and re-establishing these families in the area. Recommendations have been completed on crops which are "tolerant" to soil toxicity from spray residue. More work is in progress on determination of the optimum size of farm unit adequate to maintain satisfactory living standards in a type of farming less intensive than fruit growing. Substantial progress has been made in the action stage of this recommendation, although the manpower situation has resulted in a lack of families to operate the farm lands which are now idle following removal of the orchards.

19. Businessmen's Support. The business and professional establishments in the area have partially underwritten the rehabilitation program through an agreement to raise $35,000 annually which is to

be used to reimburse the public agencies for a portion of their commitments and to cover possible losses on loans. Any balances in the fund will be used as capital funds for the permanent grower-owned credit organization provided for in the area program.

20. Labor Program. In anticipation of the manpower shortage, the grower Committees in the winter and spring of 1941 began organizing a labor recruitment, training, placement and facilities program. This involved organizing the growers in each neighborhood, community and county integrating with that the services of all other local, private and public agencies into a single, centralized area farm labor supply council. This council administered and supervised an effective labor program for 1942 and is further organizing and refining its program for 1943. Specifically, some of the steps taken to create this labor program include:

1. County LUP Committees and War Boards met to study the Secretary's Memorandum, No. 975-10
2. Outlined educational program to acquaint growers with prospective 1942 labor situation
3. Training schools in sorting and packing were conducted by Vocational Agricultural teachers; also conducted one class for orchard foremen
4. Organized meeting in February 1941, with State USDA War Board and Farm Placement Service of the United States Employment Service to plan organized farm labor program
5. Raised funds and advertised in Great Plains and Middle West for farm laborers for soft fruit harvest
6. Organized the North Central Washington Farm Labor Supply Council, consisting of 56 growers and 45 non-grower representatives of Government agencies, business organizations, radio, newspapers, Grange, County Welfare Departments, etc.
7. Established community voluntary labor clearance offices
8. Drafted and obtained grower signatures to a Harvest Labor Agreement
9. Developed housing facilities program
10. Developed local transportation program
11. Developed local labor mobilization program of schools, business houses, townspeople, etc.
12. Developed stabilized wage schedule
13. Canvassed state labor supplies
14. Worked out local placement schedules
15. Formed point of contact with Farm Security Administration and United States Employment Service

The result of this year's program was that approximately 90 percent of the crop was grown and harvested under more difficult conditions than have ever before been faced by the area. A special report is being prepared on the grower labor program of this area at the request of the Secretary's Office.

A list of the additional and continuing projects necessary to completion of the rehabilitation program over a period of years, which the grower Committees and Department Field Office are in agreement on, includes:

1. Improve grower planning, organization, and increase farmer participation
2. Make immediate adjustments to war-time requirements and conditions on programs relating to food production, labor, equipment and transportation
3. Analyze further certain basic data, initiate additional research and establish definite long-term production goals for the area
4. Adjust individual farm and community plans more efficiently to the area program
5. Adjust size and efficiency of farm unit
6. Complete community unit organization program
7. Expand and improve pre-cooling facilities
8. Re-organize and extend sales program
9. Perfect the needed area farm business organizations with the integrated functions of packing, storage, credit, marketing, supplies, by-products and other services
10. Develop inter-area operating relationships in the Pacific Northwest fruit areas
11. Improve and further unify public agency relationships and services
12. Extend and complete local responsibility for maintaining and administering grower-owned action agencies

New objectives, or a reshifting of emphasis on existing objectives, may necessarily develop due to the impact of war and the policy decisions arising therefrom in connection with the Department's responsibilities as the food administration agency. Improved prices and the need for food may justify a policy of abeyance in orchard removal provided the available labor supply is sufficient to care for smaller or less productive orchards than otherwise desirable. Emphasis might well be placed upon temporary continuance of sub-marginal orchards and operators, and on increased yields, even with some financial hazard to growers and lending agencies alike.

The growers and the Field Office must be guided by whatever decision is reached in Washington relative to the necessity for food production and utilization, especially apples, in this area. Insofar as it will not interfere with production of food now, stress should be placed upon further economic adjustments and financial progress to prepare growers for whatever contingencies may arise in the post-war period. War food needs may require some extraordinary program for production and utilization of essential vegetables on the thousands of acres of ex-orchard land in the area, and the recruitment of families to do that job. The urgent need for greater efficiency and economy in the production, handling, utilization, preservation and distribution of food per unit of manpower, equipment and supplies would certainly indicate a prompt and forthright policy of insistence on the part of public agencies that all growers participate effectively and completely in any and all phases of their program which will expedite their maximum contribution to the war effort and contribute to their stability in the post-war period. Insofar as it possibly can, the Department should and must continue to lend its assistance in attaining these objectives.

This summary would not be complete without listing the agencies, organizations and groups among whom many have assisted materially in this program. These would include:

Washington State Extension Service
Washington State Experiment Station and College of Washington
Washington State LUP Committee
State of Washington
  Executive Offices - Governor Langlie
Washington State Department of Agriculture
Washington State Department of Conservation and Development
Washington State Department of Public Service
Washington State Legislature
Washington State Grange - Pomona and Subordinate Granges
Congressional Delegation
Vocational Agricultural Education
United States Employment Service
War Manpower Commission
County and State School Authorities, Agencies and Institutions
Department of the Interior
Business and Professional Men
County and City Governments

Commercial Banks
Chambers of Commerce
Newspapers
Radio Stations
Public Utility Districts
Power Companies
Railroads
Irrigation Districts
Orchard Equipment and Supply Manufacturers
Warehousemen: i.e. Fruit Packers and Storers
Fruit Shippers
Traffic Associations
Food Processors
UNITED STATES DEPARTMENT OF AGRICULTURE:
  Bureau of Agricultural Economics
  Farm Security Administration
  Farm Credit Administration
  Bureau of Entomology and Plant Quarantine
  Bureau of Agricultural Chemistry and Engineering
  Soil Conservation Service
  Office of Land Use Coordination
  Federal Extension Service
  Agricultural Adjustment Administration
  Office for Agricultural War Relations
  Office of the Solicitor
  Office of Foreign Agricultural Relations
  Agricultural Marketing Administration
  Bureau of Plant Industry
  Forest Service
  Farmers' Cooperatives

In conclusion, two years of planning and action on the proposed and recommended rehabilitation and adjustment program for the area have passed. A truly prodigious amount of work and earnest thought has gone into efforts to produce a strong program with intelligent grower management for this area. Some mistakes have been made. Much of what is now established experience was purely pioneering in the beginning. A great deal has been learned about program development right out on the ground. Involved problems of "blue-printing," strategy, administration, personnel and agency relationships have all been encountered by growers and public agency representatives alike. A remarkable degree of skill, patience, ingenuity and initiative has been displayed by grower Committees and assisting agencies. The program has taxed the resources and capacities of those individuals who have shared jointly the responsibilities involved and its success is

evidence of what can be accomplished by administratively coordinated efforts.

Much definite progress has been made. Growing and handling operations are definitely being placed on a more sound basis. The years 1941 and 1942 have been relatively profitable. Even discounting improved consumer demand conditions, the program is responsible for adjustments in income and costs amounting to literally millions of dollars to the industry. A great deal yet remains to be done. Original estimates of the time required to complete adjustments and put the industry on a self-sustaining basis were placed at a minimum of three or perhaps five years by both the growers and the Department. This estimate still appears to be fairly accurate, as a minimum, subject to the effects of the war and of post-war conditions. The planning end of the job is well underway, the general principles of the program rather clearly defined and action initiated on several fronts. Much yet remains to be translated into effective action on a permanent enduring basis.

On the grower side of the ledger, future emphasis will be placed on assured means of enlisting the active participation of all affected families in all deliberations and decisions leading to actions in which they are involved. Further refinement and clarification of public agency policies and operations will be sought. Additional economic and business activities will be put into effect, and the complete responsibility for their control and administration gradually assumed completely by growers in the area.

On the Department side, we should continue to improve our coordinating and administrative processes on the area level in order to meet the expressed needs of the well organized area grower Committees for a centralized authoritative point of contact with public agencies. We have urged that they perfect organization and unification among themselves, and they anticipate an equal, or even greater, degree of organization and procedure on our part, at the point of contact, which is in the field. Often the confusion or lack of unified action on the part of growers is materially attributable and in direct ratio to the degree of skill in administrative management which public agencies exercise in their relationships and contacts in such a program as this. The continuing attention which should be given to this problem may well have a significant bearing on the future success of this program.

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary
Washington, D. C.

January 30, 1941

MEMORANDUM FOR CHIEFS OF BUREAUS AND OFFICES

For the past several years the Wenatchee-Okanogan fruit producing area of North Central Washington has faced serious economic problems. Last year the area was designated as a distress emergency area by the President in order that financing of an extraordinary and emergency character might be used for production of the fruit crop for 1940. Last October the Department of Agriculture received a request from the County Land Use Planning Committees concerned and the State Land Use Planning Committee to cooperate with them in conducting a series of surveys and investigations of the fruit industry for the purpose of planning and putting into effect a sound program of readjustment which would ultimately rehabilitate the industry.

In order to appraise the actual situation in the Wenatchee-Okanogan area and to lay the basis for program coordination, a special interbureau committee was set up in Washington, representing the general planning agency, the Land Use coordinating agency, and the bureaus which had an interest in the problem. The Committee prepared a report which presented in some detail the pertinent information concerning problems of production, financing, and marketing. During the past two months, this report has been considered by the growers in the area through the Land Use Planning Committees of Douglas, Chelan and Okanogan Counties. Out of these discussions was developed a set of preliminary recommendations for remedial measures, some of which have been approved by the Department and are in process of being carried out.

In view of the fact that the planning and action programs are so closely related in the district, it has been decided to place a representative of the Department in the area for the purpose of coordinating the work of its bureaus and agencies with that of the Land Use Planning Committees and other groups participating in the program. Accordingly, I am designating Mr. George T. Hudson as special representative of the Department and field agent of the special interbureau committee for the Wenatchee-Okanogan fruit producing district. Mr. Hudson will have headquarters at Wenatchee, Washington.

Mr. Hudson has been made available for this assignment by the Farm Credit Administration, where, for several years, he has been engaged in educational work in cooperation with Federal and State Extension Services, giving particular attention to financing and marketing problems.

In order that Mr. Hudson may be informed regarding the work and policies of Department bureaus and agencies in the district, copies of correspondence exchanged between Washington, regional or State offices of the bureaus and their local representatives, affecting policies or their relations with other agencies in the district, should be sent to him. For the present, he should be addressed at Box 1273, Wenatchee, Washington.

(s) Claude R. Wickard

Secretary

DEPARTMENT OF AGRICULTURE

WASHINGTON

May 28, 1942

Mr. George T. Hudson, Representative
North Central Washington Area
Wenatchee, Washington

Dear Mr. Hudson:

Upon the recommendation of the Interbureau Coordinating Committee, (Washington, D. C.), on North Central Washington Problems, plans have been made to organize in the field an Interbureau Advisory Committee for the North Central Washington Fruit Area, of which you as representative of the Department will be chairman.

The Bureau of Agricultural Economics, Bureau of Plant Industry, Bureau of Agricultural Chemistry and Engineering, Bureau of Entomology and Plant Quarantine, Soil Conservation Service, Agricultural Marketing Administration, the Farm Security Administration, and the Farm Credit Administration, including the Regional Agricultural Credit Corporation; each have been instructed to appoint a member on the Interbureau Advisory Committee for North Central Washington. This member should be an official authorized to interpret area administrative policy for his agency. I am also inviting the directors of the Washington State Experiment Station and the Washington State Extension Service to name representatives on the Committee.

As representative of the Department, you will continue to be responsible for organizing and coordinating a broad program of Departmental activities designed to effect a sound program of readjustment for the area, as instructed in my memorandum of January 30, 1941. The field committee will serve as a consulting and advisory body to you in expediting the coordination of programs in the area, and, through you, will make recommendations to the Washington (D. C.) Interbureau Committee and keep it informed.

The functions of the Land Use Planning Committees, representing the growers, should be maintained and strengthened, and to this end you should make full use of the Interbureau Advisory Committee.

The Interbureau Advisory Committee will be guided by the over-all policies established by the Washington (D. C.) Interbureau Coordinating Committee on North Central Washington Problems. Activities in the area will continue to be administered within their respective fields of action by the agencies participating in the area program. Members of the Interbureau Advisory Committee will be subject to the approved authorities of agencies participating and shall keep their respective agencies informed and consult with them in regard to problems of the area.

The Interbureau Advisory Committee should hold such regular or special meetings and appoint such sub-committees as may prove necessary to expedite the area program. It may establish its meeting headquarters outside the area if deemed advisable.

You also are requested to prepare a summary report as of June 30, 1942, on the progress of the program to date and plans for the future. Your report should be transmitted to the Washington (D. C.) Interbureau Coordinating Committee on North Central Washington Problems, and a copy sent to the Chairman of the Pacific Northwest Inter-agency Council.

Sincerely yours,

(s) Claude R. Wickard

Secretary